

**Pay Yourself First:
Community Conversations to Create a Culture of Saving
and Asset Building**

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Abstract

“Pay yourself first.” “Live within your means.” These are among the messages of frugality and saving that are too often lost on our consumer-driven society. They are drowned out by messages such as “buy here-buy now” and “no credit, no problem” that are particularly loudest to the ears of those on the lowest end of the income scale.

Low income people have low savings rates. While this is not surprising, it leaves children and their families most vulnerable when a crisis arises. It also leaves parents susceptible to criticism that they are making “poor choices” that others may see as not in their, or their children’s best interest.

The purpose of this project was to examine this condition on a community level, to see how low-income families see themselves, and how receptive they are to discussion about the issue. The author’s aim has been to have “community conversations” to share information, and see if this leads to changes in the saving habits of lower income people. It tapped such community resources as those provided by financial institutions, social services agencies, and the residents themselves. It also examined how public policies affecting lower income people are utilized, such as the tax code. Ultimately, the goal was to create a momentum to lead to a culture of saving, in which low income families working toward better financial knowledge and providing for more stable conditions for themselves is the norm.

Executive Summary

This project had several components, in seeking to change the behavior of low-income people and in the community as a whole, specifically around personal savings both for emergencies and for longer-term goals. It grew out of informal conversations with participants at a free community-based income tax preparation site in Franklin, NH about putting a portion of their refund into some savings vehicle. The vast majority did not, and several said anecdotally that they intended to add to the meager amount they had in savings, but could not afford to do so. The purpose of this project was to engage low-to-moderate income working people in “community conversations” around how they can develop savings goals and work to achieve those goals.

Outreach to community services providers, especially those not normally engaged in financial education, was a method to evaluate the project’s success. This included whether these providers, such as health clinic workers, Head Start, and community health educators, use some financial assessment tool as part of their interaction with clients.

Other ways to evaluate whether the individuals are achieving outcomes are through such measures as the number of people who open Individual Development Accounts (IDAs) and who actually make a “qualified withdrawal”, that is the purchase of an asset such as a post-secondary education tuition payment or down payment on a home. There has been an attempt at some level of pre- and post-test measures of financial literacy to determine the level of “savvy” that participants are achieving. Partners in financial education can also be queried to see if they have received an increased number of referrals. This may not indicate a direct cause and effect, but would roughly correlate to community conversations resulting in people knowing where to turn for further assistance. Beyond this project, the content of

community conversations may translate to such activity as civic organizations developing programming to meet community needs. These may include savings and investment clubs or mentoring programs. If these groups continue to meet for the longer term, especially with new members, it would be an indication that this type of activity is sustainable on a community level. Is there a change in the infrastructure of services offered in the community? Do banks or credit unions see the value of establishing a branch in Franklin? What about a college or other indication that the asset building efforts of the community have become more mainstream.

In conducting this project, the hope was to learn more about those habits, how they were developed and the attitudes that have resulted around behavioral choices that low-to-moderate income people make around personal finances.

The Franklin Asset Building Coalition acts as a steering committee for the free tax site. It also incubates other ideas to help working families become more economically stable. Members of FABC include representatives of a housing agency, community action program, a community bank, and others whose organizations' mission coincides with FABC's. One such organization is Casey Family Services, a child welfare agency with a strong presence in Franklin. Casey runs an afterschool program in collaboration with the local school department. One event that lent itself to an activity that became the center point of this project was Lights On After School (LOAS). This national celebration of the value of afterschool programs reaches out to the same working families that the project wished to reach.

In considering the expansion of LOAS to include community conversations around personal finances, FABC generated a lengthy list of components that provided for a fun and interactive evening event. These included exhibits in the middle school gym that combined the health and safety "vendors" from LOAS such as the community health educator for the local hospital with an adjacent booth for the state's child health insurance program to help families sign up uninsured children. Other exhibitors adapted what they have done to meet the evening theme, such as the Franklin Police Department adding information about preventing identify theft to a display of "beer goggles" that engaged youth and adults in a discussion about drunk driving.

There were interactive booths for adults and children, ranging from a "Wheel of Fortune" by a community bank to the local Business and Professional Women's chapter putting on an exercise to teach youth about the pay range of occupations, and how that pay translates to being able to furnish a home in the lifestyle that youth may want to live.

The purpose of the activity, beyond the stated purposes of learning about the financial habits of working families and helping to improve those habits, was to establish a presence in the community beyond tax season.

The project included several components, building on the activities and relationships that FABC has developed in the community.

TAX SEASON: Free income tax preparation, in conjunction with the IRS's Volunteer Income Tax Assistance program, is the anchor activity of FABC. It draws national

marketing efforts of the Center for Economic Progress and Doorway to Dreams (D2D) fund, to use the tax code to build assets through such vehicles as the “split refund” option of dividing a tax refund into checking, savings and other accounts. A social marketing campaign encouraged filers at VITA sites with refunds of at least \$500 to save 10% to start a savings habit, including through the purchase of US Savings Bonds. Locally, the activity promotes incentives with a “Smart CD”, a product offered through the involvement of Franklin Savings Bank, as well as educating tax filers about IDAs and other savings and asset building resources.

SAVINGS ACTIVITY TIED IN WITH LOAS: An adaptation of the America Saves social marketing campaign initiated by the Consumer Federation of America, the NH Savings Challenge was an activity conducted in the Fall for a one-week period. Staff from the University of New Hampshire Cooperative Extension offered help in organizing the activity, which also involved local financial institutions.

The months leading up to LOAS included outreach to partners who have been involved in FABC in the past or where member agencies have relationships. This included the Jumpstart Coalition, a group that promotes financial education for youth, the FDIC, which offers the Money Smart financial education programs for youth and adults, and others who were involved in the content of the project.

As an outgrowth of the planning, two related activities developed from conversations with a housing agency and with a bank. The result was a workshop on energy saving measures that homeowners could undertake with a presentation by the local community action program’s weatherization staff and Citizens Bank, describing how to finance those measures that required a significant expense. The housing agency then put on a first-time home buyer seminar to reach out to would-be homeowners. Co-promotion of all of these activities was done in cooperation with the school department in providing for mailings to go to every family with a child in the public school district. This was exactly the audience that the project was attempting to reach.

One fundamental resource that has been lacking in Franklin is postsecondary education. A branch of the Lakes Region Community College closed after briefly offering classes at the high school. Conversations are underway to see if another NH-based institution of higher learning would be interested in moving to or establishing a branch in Franklin. At the very least, a booth by NH Higher Education Assistance Foundation showed parents that there is financing help available. NHEAF offers a costume character (the “College Bear”) and printed materials for youth and parents to engage young children on the idea of college planning early. The planting of the very thought among children who might be the first generation in their family to pursue college dreams might make those dreams more “real”.

Follow up on a number of related initiatives continued to and through LOAS. Further contributing to the framework for community conversations is More Than Wheels (formerly Bonnie CLAC), a NH-based non-profit organization that helps people of all incomes with credit repair specifically focused on vehicle purchase. The organization has developed what it calls the “WAMI” approach, to determine if potential clients have the Willingness, Ability, Motivation, and Initiative to make changes in their financial behaviors.

Beyond the time frame of the project, outgrowths may include more focused outreach around Individual Development Accounts, or the promotion of other savings mechanisms, such as an investment club and mentoring program to provide guidance to young adults. Financial Education classes and financial information and referral will continue to be offered on an ongoing basis. A main hope is to build on the research already begun, and to further develop relationships with the stakeholders into true partnerships, to be able to frame messages that will engage lower income workers into a community-wide culture of saving.

Community Needs Assessment

High rates of unemployment, teen pregnancy and youth dropping out of school have long plagued Franklin, NH. While it is chartered as a city, Franklin is New Hampshire's smallest city and shares the isolation—and desperation—of rural communities. Drugs are a significant problem, with one health agency reporting that heroin could be purchased for less than the cost of a six-pack of beer.

These and other related problems presented themselves as the layers of an onion to be peeled away. The Annie E. Casey Foundation refers to such communities as “tough” with a double meaning. That is, while there are problems that are deeply entrenched, the community's people are resilient. Community leaders were willing to welcome in outside organizations to work in partnership to address these issues.

Community Profile: Franklin, NH

Franklin, NH is a working class city with great views. It is located at the confluence of three rivers, the Winnepesaukee, Merrimack, and Pemigewasset. Franklin is near the geographic center of New Hampshire. It is more than an hour's drive from the more densely populated southern portion of the state, near the Massachusetts border, and gives way to a far more rural Lakes Region and North Country. (See Figure 1.) Franklin is also New Hampshire's smallest city, with a population of 8,712, according to the US Census Bureau. Like a lot of New England mill towns and cities, its economy, once thriving thanks to a manufacturing base, is a shell of its former self.

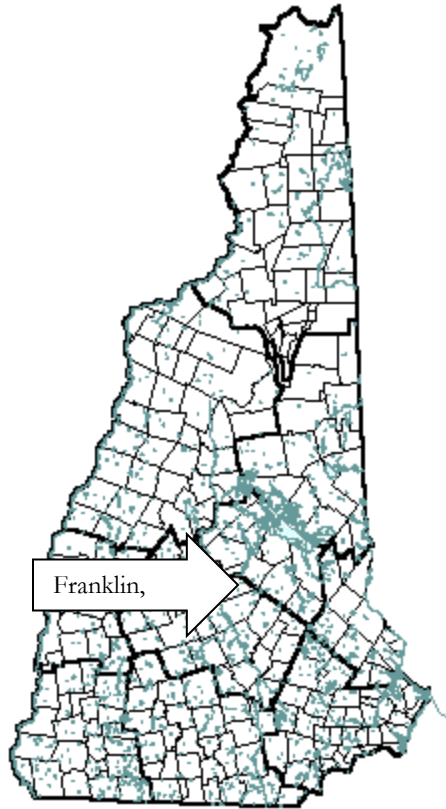


Figure 1

Drive into Franklin early in the morning along Route 3, and you will see many cars heading in the opposite direction. Franklin's largest employers are Franklin Regional Hospital, which employs 371 workers and Webster Valve, an industrial employer of 340, down from 515 in mid-2009, according to the Economic & Labor Market Information Bureau of NH Employment Security. Polyclad Laminates, which had been the city's third largest employer, employed 295 in circuit board manufacturing prior to the company's 2007 sale and subsequent closure of the Franklin branch plant.

Demographics

As the labor market has declined, Franklin's labor shed has grown. The American Community Survey lists the mean travel time to work for Franklin's commuters at 23.4 minutes, with 65% of the workforce commuting out of town for employment. Nearly 300 workers commute at least one hour to work, according to EASI Demographics, with another 1,192 commuting 30-59 minutes. That's for those who have jobs. According to NH Employment Services, Franklin's unemployment rate in November, 2010 was 5.8%, down considerably from the 8.8% reached in August of 2009, but still higher than the state rate. While unemployment is below the national rate, Franklin continues to be a community struggling economically.

Median household income is Franklin \$46,644, according to the five-year American Statistical Survey, 2005-2009. Perhaps more telling were the figures from the 2010 tax season at the Volunteer Income Tax Assistance site, a free program benefitting working families. Filers' median Adjusted Gross Income for 2009 was \$20,020, according to figures compiled by the Center for Economic Progress.

Still, the free tax return site is one of a number of community based services that have sprung up in recent years to address a multitude of social and financial issues. The school department, in collaboration with Casey Family Services, began offering after school programming in 2001 at a time when Franklin's dropout rate was the highest in the state.

School matters

In 2001, Franklin's dropout rate was 16% annually, according to the NH Dept. of Education. That is, more than 50% of the students who started ninth grade did not graduate. This was causing a strain on the community's social service network, from the number of people applying for public assistance to those going to a local clinic for health care.

School officials, along with nonprofit organizations and the business community focused on this as a community priority. The school district implemented a variety of interventions, from a collaboration with state agencies to assist students with disabilities, to Positive Behavioral Interventions and Supports (PBIS), a structured effort to hold students accountable and assist them in making good decisions. An alternative high school program was established to serve students who found it difficult to learn in a traditional educational setting. Employers began to offer Extended Learning Opportunities, where students could gain workplace experience through job shadowing. Casey Family Services, in collaboration with the school department, offered structured homework time and other activities in school-based afterschool settings at Franklin Middle School and at one of the two elementary schools. Parents were urged to get involved in Parent Teacher Organizations and in an after school program advisory committee. Teen parents who had dropped out were given the opportunity to return to class as a child care center, Tiny Twisters (the high school team nickname is the Hurricanes), was established inside Franklin High School.

Today, Franklin's dropout rate is about 4%. While school officials acknowledge much work remains to be done, keeping more students in school through graduation is clearly seen as a positive sign. More effort is now being placed on getting more of those graduates to enter and complete college. A satellite location of Lakes Region Community College was established inside Franklin High School, but it closed due to lack of enrollment. High school students are still eligible for the state's "Running Start" program in which they can take college level classes while still in high school and qualify for college credit at a reduced cost.

Economic Climate

Choose Franklin, a community group that includes a cross section of business people, municipal leaders, school officials and private citizens was started in 2004. It was modeled after the national Main Street program of downtown revitalization, but has a broader emphasis. It is looking at community-wide issues and serves as a communications hub within the community, with monthly meetings and a newsletter. The group's Economic Vitality, Cultural and Historic Committee seeks to pull together the built and natural

resources that drive local economic development planning. The city's historic opera house, built in 1892, renamed itself the Middle New Hampshire Arts and Entertainment Center in an effort to appeal to a broader audience and bring ticket revenue from outside of Franklin.

The City Council in 2008 approved a Tax Increment Finance (TIF) district in an effort to redevelop the downtown. To date, development has not begun, but a planning process led by Municipal Resource Inc. brought together community residents and others for a planning charrette to bring forth ideas and generate larger buy-in. More recently, Public Service of NH, the state's largest utility, announced plans to build a converter station in Franklin that would carry hydroelectric power from Canada south. Once operating, it would bring a significant increase to property tax revenue, while adding a handful of jobs.

For working families, these measures remain part of an economic focus that does not apply to most of them. One recent addition to the local scene that does provide some direct benefit is the establishment of a satellite unemployment office. NH Employment Security began offering office hours one day per week in the summer of 2009, utilizing space at the public library. Job seekers can now attend workshops on resume writing and filing for unemployment claims without having to travel to the nearest permanent NHES office, a half-hour's drive away. There is no public transportation in Franklin. The library's five computers also provide internet access, further aiding a local job search.

Related directly to this project, its author helped lead Granite State College to start holding monthly office hours at the satellite employment office to assist those thinking about continuing their education. In January of 2011 NH Higher Education Assistance Foundation had a representative from its Center for College Planning join the mix to find resources to pay for the schooling, also at the urging of the project author.

Housing costs, while lower in Franklin than the rest of Merrimack County, have gone up as Franklin's relatively low property values have been "discovered". A 2009 report by United Way of Merrimack County (now Granite United Way) described the cost of living rate as a key community indicator. Using as a basis of measure whether someone is spending more than 30% of their household income on housing, the report defined "working poor" as anyone making less than \$74,000 (United Way of Merrimack County, Local Indicators and Data, 2009). With a median income of \$46,644, the average Franklin resident falls far short of this measure.

Some recent efforts have been developed to offer asset building resources to lower income Franklin residents. Casey Family Services has been partnering with Franklin Savings Bank to offer incentives tied to the bank's Smart CD. This product, which offers a lower threshold of a minimum deposit to open the account, has been coupled with the free income tax preparation project to help those saving for college or first-time home ownership. A growing number of tax filers have taken advantage of these incentives, but the take up rate remains about 15% of those eligible, according to statistics gathered by the Franklin Asset Building Coalition, which coordinated the project. Casey also offers Individual Development Accounts (IDAs) for families that it works with, as does CATCH Neighborhood Housing. MicroCredit-NH, a microenterprise development program, was offering small group meetings in Franklin for would-be entrepreneurs, but closed field operations in late 2010.

Community Needs Assessment

An unemployment rate higher than the state average coupled with low wages for those who are working strains the financial well-being of Franklin's residents. A survey of filers at the Volunteer Income Tax Assistance site in 2010 found 92.6% did have a bank account. Yet while the vast majority were banked, only 39% had both a checking and savings account and 7.1% had a savings account only. Anecdotally, many of those with savings accounts reported low balances. The tax project provided a mechanism to get in contact with resources to build financial literacy and, in turn, assets. Yet the frenzied nature of the tax site afforded little opportunity for a conversation about where to turn to meet those needs.

Franklin has yet to reinvent itself from its mill days, and remains a bedroom community to larger cities primarily to its south. With many natural resources and a strong will and spirit of volunteerism, Franklin has a lot of "raw material" for progress. It has demonstrated that with the success of lowering the school dropout rate. Empowering working families and harnessing its resources will be the challenges to improving the economic vitality of New Hampshire's smallest city.

The Problem

Problem Statement

Savings rates in Franklin, NH are too low, especially among low-to-moderate income (LMI) residents.

The national savings rate is low, and there is no reason to think Franklin is any exception. The median balance in checking, savings and money market accounts for household in the lowest income quintile was only \$600 in 2004, according to the FDIC. While Franklin-specific figures were not available from financial institutions, due to confidentiality, anecdotal evidence from the field suggests many residents are living paycheck to paycheck.

Financial experts have for years used as their standard the recommendation that people should have three-to-six months of household expenses in emergency savings. That is to allow for medical emergencies, or to cover the time it may take for a laid off worker to become re-employed. With today's national unemployment rate near nine per cent, the reality is that it may take an unemployed worker longer than six months to find work. With a median balance equivalent to less than one month's rent, this leaves the lowest earning workers, who were never well off to begin with, especially vulnerable.

Beyond saving for contingencies, lower income workers are largely without hope when it comes to purchasing and keeping a home, having their children attend college, and plan for a comfortable retirement.

It is a combination of factors that leads to this problem, as we shall see. These factors include lack of awareness of resources for building assets, lack of financial education, and simply not making enough to pay for household expenses and still leave enough to save toward realization of their dreams, if they dare to dream at all.

Target Community

Franklin's working families make up the heart of the local economy. The VITA (Volunteer Income Tax Assistance) project was started with the 2003 federal income tax filing season to reach this population. This IRS-supported effort has as its income guidelines people with a household income up to the limit of eligibility for the earned income tax credit (EITC), currently about \$49,000. More than 300 individuals and couples, many with children, filed returns through this project in Franklin in the 2010 filing season. Volunteers, some of whom are themselves tax filers through this program, come from the local community to provide intake and tax preparation. The local residents who become certified to provide this service include the retired business manager of a car dealership, Head Start and Community Action workers, bankers, a lawyer and a farmer.

The VITA program is organized by the Franklin Asset Building Coalition (ABC), a group of organizations with a mission of helping working families to achieve family economic success.

Since its inception, VITA has returned more than \$2.5 million in federal tax refunds to Franklin-area working people, including more than \$1 million in EITC. This money has increased the purchasing power of low-to-moderate income people with the intent of giving a boost to the local economy. Yet the busy nature of the tax site, where most participants simply want the return completed so they can move on to other things, has not proven to be an effective place to have conversations around financial education.

A next step of working with the population was to give working families somewhere to turn, year-round, to answer their questions about money management, and to give them the tools to find the answers themselves.

Stakeholders

A variety of organizations, both within the community and without, have had a stake in this project. The city of Franklin and the Franklin School District are two institutions with a direct fiscal stake in the success of the project. More stable families, financially and emotionally, will result in greater likelihood of home purchases, for example, resulting in property tax revenue derived by the city and school district. Among the nonprofit organizations that have had a stake in this project are Casey Family Services, CATCH Neighborhood Housing, Caring Community Network of the Twin Rivers and Belknap-Merrimack Community Action, all members of the Franklin ABC. All either have offices in Franklin or have been involved in the planning and organizing of programming related to the project. It is part of their missions to meet the needs of underserved populations, ranging from low-income to vulnerable children and their families.

Government and quasi-government agencies also have had a vested interest in outreach to this same population. Among them are the Social Security Administration, the University of New Hampshire's Cooperative Extension, and the IRS, which has conducted outreach to the target population through its Stakeholder Partnership, Education and Communications office. The purpose of this outreach was actually to connect working families with more money through various tax credits that are not claimed to the extent they could be.

From the private sector, several financial institutions have been part of the project, and stand to benefit from more economic stability on the part of local residents. Leading in involvement has been Franklin Savings Bank, which has participated in the VITA program including offering incentives for those who open a “Smart CD”, a savings product offered to help families to become first-time homeowners or save for college. Citizens Bank and Northway Bank also have a presence in the community, and have been somewhat involved with these efforts as well, if not to the extent of Franklin Savings. Other employers stand to benefit from a more stable workforce as well, and Freudenburg-NOK, an industrial firm with a plant locally and LRG Healthcare, the parent organization for Franklin Regional Hospital, have been supportive of local efforts as well.

Project Goals in CED Terms

The main project goal was to hold a fun and interactive activity to spur community conversations among low-to-moderate income people and serve as the springboard for financial education and asset-building efforts year-round.

Franklin has hosted an event called the “Money Show” modeled after a home show or boat show that is put on in a public location with exhibits and demonstrations. Initial attempts resulted in a small turnout, and gave way to planning a reshaped event tagging along with one that was more established. Lights On After School has been held for several years as part of a nationwide celebration of afterschool programs and the value they bring to communities. The targeted audience for the Money Show was the same: working families, particularly those with school-age children in the home. It was felt that by combining the two events, a more comprehensive result would involve more people, and be a fun way for adults to join with children in learning about resources for money management.

Secondary project goals were to increase awareness of resources that people of all income levels can take advantage of, such as for help with budgeting, credit repair, first-time home ownership, or saving for college or emergencies and that there would be more opportunities to raise that awareness in group and individual settings. Measures of progress toward those goals were whether resulting financial education sessions have increased attendance, more participation in savings, more community involvement develops, and, to the extent it can be measured, that there have been more conversations among residents sharing resources and advice with one another.

Project Objectives

The objective of “Lights On After School featuring the ‘It’s Your Money’ Show” was to increase the number of attendees from 50 in 2009 to 100 in 2010. The Franklin Asset Building Coalition’s role was to act as a planning committee.

A further objective was to have at least 20 exhibitors gathered in one place for an event free of charge to attend. This objective would be accomplished by the planning committee bringing together previous participants in both activities. These would include several that have delivered a message about health and safety as part of Lights On After School. They included the Franklin Regional Hospital community health education department, Franklin Police and Fire Departments, and Head Start. Among the exhibitors for the financial component were Consumer Credit Counseling of NH/VT, CATCH Neighborhood

Housing, MicroCredit-NH and three banks. The location was Franklin Middle School, with the school gym turned into an “exhibition hall”.

CATCH has also held several “Homebuyer Express” (first-time homebuyer) workshops in Franklin, but a Spring 2010 attempt was cancelled due to lack of registration. It was an objective to hold this workshop in the Fall, tied to the time frame of Lights On/Money Show and promoted jointly, resulting in a workshop with at least six attendees.

Several organizations have participated in both activities previously, and this helped to reinforce both their message and the strength of the event. UNH Cooperative Extension, for example, had previously had a booth at Lights On After School to promote its programs for youth, including 4-H, and at the Money Show with their Making Money Work for You and other programming for financial education. Other exhibitors with a “dual role” included Belknap-Merrimack Community Action and Casey Family Services.

UNH Cooperative Extension was also the driving force to promote a social marketing campaign conducted nationally by Consumer Federation of America. Efforts would be coordinated at the state level with the NH EITC Alliance and called the NH Savings Challenge. The objective was to have at least 300 participants make deposits in existing or new savings accounts. A promotional “hook” would be to tout the loose change in the average household to demonstrate that it adds up to a significant amount, enough to seed or add to personal savings.

A starting point for the various activities that made up the project was the 2010 federal income tax filing project, put on by the Franklin ABC. An objective of that effort was to have 30 tax filers open or add to a Smart CD and qualify for up to \$200 in incentives. Eligibility criteria for the incentives were that filers, either individuals or married couples filing jointly have their return completed by the Franklin ABC at its VITA site and that they were eligible for the earned income tax credit (EITC). The incentives were offered by Casey Family Services and Franklin Savings Bank, and eligible savers who opened the CD for the stated purposes of paying for college or first-time homeownership receive \$100 from each of the two organizations if they had made no withdrawal within six months or one year, respectively.

Additional resources promoted at the tax project would result in 3 new IDAs, Individual Development Accounts, and at least 10 tax filers would take advantage of the opportunity to purchase US Savings Bonds with part of their tax refund. This is a new offering open to all tax filers through the US Treasury Dept. Series I bonds can be purchased with a minimum investment of \$50 and using one additional attachment of a form to the tax return.

The more than 300 households already taking advantage of the free income tax filing were the primary target audience for Lights On After School, with a direct mail letter sent in September 2010 promoting the October 14 activity as well as the following week’s NH Savings Challenge and Homebuyer Express workshop. The FABC’s relationship with the school district also allowed a mailing to go to all 1500 households with a child enrolled. At a minimum, this would increase awareness of the project with a phone number to call and a place to turn for financial resources.

Design

The overall design of the project was a series of activities, centered around one larger fun and interactive event, and clustered closely enough so as to engage the target population.

If it takes a village to raise a child, it takes a community to create a culture of saving in that community. As we are bombarded by media messages to consume, messages about saving and spending within one's means become lost. This is especially so at the lower end of the income scale, where residents have less income to save, and often lack awareness of resources both for increasing their income and building reserves.

Engaging the population in a true conversation, taking an asset-based approach that allows low-to-moderate income people to demonstrate their own industriousness and offering a community-based setting that is also multigenerational (to allow adults to improve upon poor financial habits and children & youth to develop good habits from scratch; and planning and conducting projects, activities, and programs that are attention-getting and even fun) creates a community momentum that was designed to lead to long-lasting behavior change.

In the short term, this involved conducting activities conducive to community conversations, or adding that aspect to existing events. It started by adding the "Money Show", exhibits and information about money management, to an established event serving working families, Lights On After School.

Tapping into an established community event shed light on the issue of savings and financial education in a way that is fun by creating a community "splash". The goal was to follow up on that event by involving residents in ongoing efforts to create norms around saving and asset building to achieve a more long-lasting effect.

Literature Review

The field of behavioral economics is a relatively new one. It has grown out of the questions surrounding savings, particularly by lower income people. Those questions include why people do or do not take certain actions when it comes to money management, what it would take to increase savings and investing, and in particular what differences there are between (and among) low income people and those of higher means. Some of this has been explained in terms of "rational man theory," implying that lower income people are irrational when it comes to managing what money they do have. This literature review sought to refute that implication, by examining research on government policy related to savings and financial asset building, available tools in the private sector and their use by lower income people, and the motivations, to the degree they have been researched, of the people of whom we speak.

This literature review explored questions of why people do or do not take certain actions when it comes to money management. It especially looked at literature around low-to-moderate income people, examining research on government policy related to savings and financial asset building, available tools in the private sector and their use by lower income people, and motivations among the targeted population that affect behavior.

Sherraden (1991) advanced the theory that low income people could still create wealth for themselves. This theory led to the creation of Individual Development Account programs in most states, providing matching savings for eligible people to save for college, their own business, or first-time home ownership. At a more basic level is the need for low income earners to put aside funds for emergencies, such as vehicle breakdowns or medical bills. Logic suggests that those funds would be more necessary for low income workers, who tend to drive older vehicles and are more likely to work at jobs that provide no health insurance.

There is a growing body of literature combining behavioral economics and asset building (Brown, 2008). Much of it covers government policies and some assessment of how effective those policies have been. Some, such as the New America Foundation (Cramer et al, 2010) have proposed in their "Assets Agenda 2011" several changes to public policy. Some literature describes resources available through the private sector, such as direct deposit through a financial institution to help people of any income level build financial assets. And some focuses on low-to-moderate income people themselves, and how their behavior is affected by those public and private factors.

The FDIC (2008) issued a report indicative of the literature on the subject of low income people and savings/wealth accumulation that addresses the "what" but not the "why". The report cites a Federal Reserve study that noted, "the median balance in checking, savings, and money market accounts for households in the lowest income quintile was only \$600."

McKernan and Ratcliffe (2009) cite policy factors that include a seeming contradiction that may discourage asset building. Renters may be aware of such federally-supported measures as IDAs that help low income families become home owners, but fear federal housing subsidies may be lost by these same families if they exceed allowable asset limits. Their research acknowledges the need to help low income households overcome short term needs and advocate for policy changes that will also help working families reach larger goals. "(F)amilies with few assets need access to small loans, preferably with a savings component, to help them weather bad patches. Then, they need to get a financial foothold to build the savings needed to avoid expensive short-term loans and to purchase a reliable car if one is needed to get to work. With emergency savings secured, families can move on to building assets for longer-term development, such as homeownership," they write.

In the private sector, Alternatives Federal Credit Union is one financial institution that has focused much of its work on lower income depositors. It developed and copyrighted a "Credit Path" to help guide people to greater financial acumen and, in turn, greater financial stability. The linear design started with unbanked people conducting such financial transactions as check cashing (Transactors), developed them into members (Savers), then saw them taking out a loan (Borrowers) and eventually acquiring their asset (Owners). What the credit union found in a study of 904 of its members (Myers et al, 2006) is that the credit path to financial self-sufficiency is not a straight line. "(T)he survey findings failed to find that individuals follow the sequencing of stages as presented by the Credit Path. Survey responses showed financial life to be more complex than the Credit Path diagram indicates."

The report goes on to describe a situation that affects lower income people disproportionately. "In fact, the overlap of borrowing and transactional services in check-

cashing establishments (in most states) has facilitated a person's ability to move easily between Transactor and Borrower without ever engaging in savings products or behaviors," acknowledging that "very low-income households are likely to be in need of more than just financial tools to proceed along the Credit Path." Those tools may include life and health insurance, the lack of which can devastate any family, particularly those with little reserves, when tragedy strikes. In addition, Alternatives notes, "The particular experience of very low-income household is critical to explore for numerous reasons. Most significantly, the Credit Path model has been promoted primarily as a tool to help low-income households build wealth and accumulate assets." This points up opportunities for financial institutions who want to increase their portfolios to step up business development with this market segment.

As policy turns into practice, some of the realities of even well-intentioned measures call those measures into question. Zhan and Pandey (2004) make the not surprising observation, "(E)ducational status, especially postsecondary education, is positively related to economic status of both White and African American mothers. Education strongly correlates with single mothers' labor income, child support income and welfare income." However, they note that welfare-to-work regulations requiring "work first" for single mothers on public assistance flies in the face of continuing education. This would defeat the purpose of setting aside saving for that purpose, including participating in an IDA for postsecondary education. There is also research that examines particular challenges, such as building assets in rural areas, where resources are scarce. One study (Grinstein-Weis et al, 2007) notes that the poverty rate is higher in rural areas than for urban residents. It points out the affect on children in rural areas, who are therefore more likely to live in poverty than are children living in urban areas.

Giuffrida and Hawe (2006) have identified tax season as a good time to engage low-to-moderate income people in discussions about their finances. In particular, free income tax preparation sites, supported by the IRS and aimed at working families, provide such an opportunity, they assert. The authors acknowledge, however, that there "may be a slight mismatch between the asset building opportunities and the goals of motivations of clients." What my own practice has found bears out this theory. Most of the filers at the VITA (Volunteer Income Tax Assistance) site I chair in Franklin, NH are there for the primary purpose of getting their tax return filed, with only limited capacity to discuss improving their personal financial management. There is hope, however, among those who not only entertain such thoughts as taking part in financial education classes, putting money in savings programs, and actually taking action. It is a reminder of human nature, and of the need to offer repeated delivery of the message at different times, venues, and using different methods, until the client is ready to receive that message.

Efforts to help the poor have been with us for seemingly as long as the poor have. While this has led to numerous innovative products being offered, there is no clear consensus about what works most effectively to engage low-income people to save for and achieve goals. Some of these tools have included the Earned Income Tax Credit as a support for low-income workers, although the IRS estimates that as many as 25% of the eligible wage earners do not claim the credit.

Policy merges with behavioral economics in efforts to reach savers over the course of their entire lifetime. This growing body of research tries to identify moments in a person's life when there are more opportunities to develop assets, either because they are more open to it or thanks to an event such as a new job or raise. "There are also moments when one asset building transaction presents an opportunity to put another in place, reflecting some of the insights from behavioral economics: When buying a home, for example, one can try to obtain a mortgage that automatically escrows savings for home-related repairs or improvements, or to secure a consumer loan that includes an automatic savings feature as well." (Boshara, 2010).

Of course, it is not as easy as setting automatic measures in place and living happily ever after. We live in a consumer-driven society, and lower income people may be more susceptible to powerful messages, such as about being part of an "ownership society". Lerman and McKernan (2008) assert, "Common assumptions about the benefits of policies to encourage asset accumulation have come under great scrutiny as a result of the 2007 collapse of the subprime mortgage market. The view that encouraging homeownership among low-income people is an unmitigated good is no longer universally held."

There seems to be consensus that there is no consensus as to what definitively works. Beverly, Sherraden, Cramer, Williams, Shanks, Nam and Zhan (2008) use qualifying words to describe the awareness of and participation in asset accumulation products on the part of low-income workers. "With regard to information, it is difficult to say whether information needed to participate successfully in targeted programs is more available or less available than information related to homeownership and retirement-saving benefits," the authors state. They go on to say, "To our knowledge, there is no empirical evidence about knowledge of the other targeted programs described here. *Presumably*, social service agencies provide information about these targeted programs to potential participants but individuals who are not connected to these agencies *may* have no source of information about these programs (*italics added*)."

Tufano and Schneider (2008) describe a variety of tools, again with no definitive correlation to what resonates with the population served. "Unfortunately, much of this data is somewhat sketchy as formal evaluations have not been done for most of these programs, and firms are reluctant to release product line profitability data," they write in describing programs used by non-profit groups and government agencies to such for-profit efforts as Bank of America's "Keep the Change" program, which "rounds up" debit card purchases to the next dollar and deposits the difference in the purchaser's savings account. It is worthy to note that these programs date all the way back to 1694, when the British government began offering "lottery linked" savings, in which investors in a savings product either forfeit or accept reduced interest payments in exchange for chances to win cash prizes. The authors go on to point out that 300 years later, some Americans in a 2000 study concluded that playing the lottery was more likely to result in accumulation or wealth than savings from their meager incomes.

A New York City project conducted in 2008 and continued the following year (NYC Department of Consumer Affairs, 2009) concludes that low-income workers are capable of saving. The \$aveNYC Account offered incentives to tax filers at the city's VITA sites if they used a portion of their refund to open a savings account. More than 1000 people did so in

2009, qualifying for nearly \$187,000 in incentives. The project led researchers to conclude that even individuals with very low incomes can and will commit to saving if presented with a convenient, simple tax time vehicle. The authors note, however, that 15% of the 177 filers who committed to open an account in the 2008 tax filing season were never able to receive the incentive, as back taxes or child support payments owed claimed the refunds that would have gone to seed the savings. This seemed to be a well-done practical look at the tactics that work initially at the “front-line” level. It further points up the need to continue to provide consistent support and follow up if the clients are to sustain their behavior, especially to the degree that it involves unlearning previous poor habits.

There is to be an increasing effort to understand the “whys” behind the financial decision-making of lower income people. Some of it may be as simple as setting financial “defaults” that make it easier for lower income workers to participate in asset building practices. There is even a thought (Bertrand et al 2006, Brown 2008) that the “rational man” theory can be applied to low income workers. The issue may be that while low income people are just as rational in their financial choices as those of greater means, they are not exposed to the same tools as higher-income workers. Direct deposit of their paychecks, for example, would allow greater financial control by putting paychecks into the bank, and allowing a portion to be automatically deposited in a savings account and to grow with no further effort by the saver. The same applies to “opt out” retirement saving plans, where a worker can “set it and forget it” at the time they start working, where it has been shown that requiring workers to sign up, or “opt in” to a savings plan has a much lower level of participation than with those who can automatically do so. Utilization of both of these measures require that an employer, of course, offers them.

Bertrand et al (2006) cite employers reluctance to offer direct deposit to hourly/nonexempt, temporary or seasonal workers as a factor in this shortfall. They also note that banks’ failing to have branches in low income neighborhoods increases the “hassle factor” of these same workers to even have a bank account, choosing instead check cashing and other resources that do not allow building of assets.

A study by the Initiative on Financial Security at the Aspen Institute (Mandell et al, 2009) talks about turning this practice into public policy. The authors advocate for an “Automatic IRA”, in which 78 million workers not now covered by a retirement plan would be able to save through automatic retirement accounts. They take the proposal farther than simply institutionalizing an “opt out” savings program, but tying it to inflation-protected vehicles that help ensure the savers’ balance will grow to meet their retirement needs.

Beverly et al (2008) assert that “behavioral theorists have identified a number of human characteristics that shape financial behavior, including a lack of self-control” and “limited cognitive abilities.” This has led to a conventional wisdom that the poor make irrational choices. These proposals challenge that school of thought. Rather, they suggest that low income workers can make savings decisions that are fully rational if they can overcome the barriers to do so. Incentives may get people in the door, not only for low income workers but for middle income workers shopping for a bank and lured by offers of free checking. Other factors that may need to be overcome are in explaining how a bank account works, including the federal insurance that protects deposits and the value of compound interest. For middle income workers, the practice of using a bank may be more likely to come from

lessons in their youth. Low income workers who developed a distrust in banks because low household income growing up led to little reason for banks to pursue this segment of the marketplace.

Much of the change in that culture appears to be around the messages low income workers receive. Behavioral economics is starting to show a need to frame messages in a “loss-based” setting. Brown (2008) suggests, “Talk about what people have to lose by not participating. This can be as simple as saying, ‘don’t miss this opportunity’ or a stronger message like ‘don’t waste \$500 by not calling today.’” While counterintuitive, Bertrand et al (2006) seem to confirm this when they observe, “...the cost of nonparticipation in a social program could be framed as an ongoing loss rather than a foregone gain, thus increasing its perceived impact. For example, the following statement could be made: ‘Not getting food stamps takes good food away from your kids.’” The authors go on to state, “Such loss-framed messages may generate greater responsiveness than gain-framed alternatives.”

The message is reaching mainstream financial institutions as well. In an interesting piece in *American Banker*, Tescher (2010) suggest banks take a more proactive role to encourage savings, and to use current technology to do so. She cites a recent study in Peru, Bolivia and the Philippines that, “sending text messages to low-income bank customers reminding them to save led to an average 6% increase in savings balances.” This could prove particularly effective among young adults who are more likely to communicate by text messages.

There are other factors that continue to be studied before reaching conclusion that any one factor weighs most heavily in saving decisions among low income people. It is likely a combination of factors that come into play. Various pieces of literature make mention of such factors as rural vs. urban settings, incentives, ease of participation, good information, who is delivering the message (peer vs. a perceived “authority figure) as well as what message(s) will drive the marketing of financial services, as well as the services themselves. Public policy also comes into play. Congressional debate recently was whether to extend tax cuts passed during the Bush Administration to all working people, or those with incomes either below \$250,000 or \$1 million. Lost in the discussion is a separate measure: continuing the Making Work Pay Tax Credit, included as part of the American Recovery and Reinvestment Act passed during the early weeks of the Obama Administration. The elimination of that credit will cost low-to-moderate earners \$400, or \$800 for married couples.

Lower income people have demonstrated a propensity to save and build assets, given the adequate tools, education, and motivation. Research continues to be done and offers some bright spots in overcoming particular challenges faces by people with lower incomes in a growing field of evidence and practice.

Program

Lights On After School is a national event put on by the Afterschool Alliance, a non profit group that promotes the value that formal after school programs bring to communities. Casey Family Services has conducted LOAS in Franklin, NH for several years now in conjunction with the local school district, highlighting the safe and structured environment for school children that is affordable to their parents. The Franklin event invites working

families to see the activities their children take part in, and offers dinner, and attempts to bring the community together.

This project broadened LOAS into an opportunity for discussion about personal financial planning. It was the organizer's hope that it would lead to ongoing community conversations that will translate to greater savings as a way of life among people of all socioeconomic levels. The Logic Model that follows this section displays this event as one of several activities to address the problem described earlier. It was hoped that LOAS will help create the momentum that leads to the conversations that result in the longer term outcomes of creating a culture of saving.

The Money Show at *Lights On After School!* was designed to be a fun and engaging evening for children and their families. It included exhibits from a variety of community resources and activities designed to be interactive while teaching children good habits that they can learn—and adults ways to “unlearn” poor habits they may have acquired—around money management.

The mission of the project was to offer local resources year-round to give working families a place to obtain reliable information for money management that will help them to develop and achieve their financial goals.

Participants

The organizers expected to have about 100 attendees. These came primarily from among working families with a child in the afterschool program, and who have previously attended Lights On After School. There was targeted outreach to the school community as a whole, including teachers and staff as well as parents who do not have a child in the after school program. Further outreach in the community was designed to open the event up to people of all ages and income levels.

Community Role

The key stakeholder in this effort was, of course, low-to-moderate income (LMI) Franklin residents. There was a conundrum attached to involving representatives of this stakeholder group in the project planning, as their work and family responsibilities limit their availability. There was at least one staff member of a nonprofit agency who fit the income and family guidelines and has been part of the planning process. Informal outreach to other program participants with whom project leaders have a relationship, including parents with a child in the after school program and those who have filed their tax returns over several years in the VITA program, has sought their input.

Other stakeholders, their level of participation, and their expectation of outcomes around the project were as follows:

Franklin Asset Building Coalition—This is a voluntary group of organizations that plan the VITA campaign and related financial efforts throughout the year. Response by member organizations has been favorable-to-neutral, with Casey Family Services and Franklin Savings Bank as the two members that have enthusiastically supported it. Others, such as the IRS, have been primarily focused on the VITA campaign. While being in favor of this asset building product, the IRS's stake is in seeing large numbers of tax returns prepared under

this umbrella project. Such member agencies as the Community Action Program office, local health care clinic and CATCH Neighborhood Housing are similarly supportive but in the context of meeting their own missions.

Casey Family Services—The lead agency of the Franklin ABC, Casey has been spearheading the VITA (Volunteer Income Tax Assistance) effort as part of the work around “family economic success” that the Annie E. Casey Foundation has undertaken nationwide. Both the Foundation and its direct service agency focus efforts on the most vulnerable children and their families. Casey’s interest is in furthering evidence-based practice that can be replicated and sustained.

Franklin Savings Bank—The bank has been involved with asset building efforts, budgeting \$3,000 annually for its share of the incentives on the Smart CD. The community bank has put funds into promoting a variety of financial education efforts targeting working families and has been an active participant in the Franklin ABC. Its stake is in the opening of new accounts both of existing and of potentially new customers, as well as carving out a community-based niche in the wake of competition from other larger financial institutions.

Other financial institutions serving Franklin—Three banks and one credit union make up the financial institutions with a physical presence in Franklin. In addition to Franklin Savings, Northway Bank has recently become more active locally. A new branch manager has been responsible for more local involvement by this bank, which was created when Pemigewasset Savings Bank, based in Plymouth, NH merged with Berlin City Bank. Members First Credit Union, based in Manchester, has a Franklin branch office. Members First participated in the 2009 Save Your Change challenge, the first time Members First has had involvement with local community economic development efforts. Citizens Bank is by far the largest financial institution with a physical presence in Franklin. Citizens has only been tangentially involved in asset building in Franklin by virtue of the fact that it is a statewide partner in New Hampshire’s IDA program, so savers from Franklin are required to have their accounts at Citizens.

City government—Mayor Ken Merrifield has become the leader of the Franklin booster club, referring publicly to his adopted community as “the best city in the world”. He and the city leadership have been supportive of the Franklin ABC’s work in the context of other efforts to serve working families, such as bringing NH Employment Security and Granite State College to the community to hold office hours. The city’s stake is in boosting the tax base, which can be accomplished through a more stable residential and employer base. Asset building efforts that work focus on low income/low wealth residents gain acceptance, at least in part, to the extent that they are directed toward home ownership and improved job skills that will also benefit the business community.

Host organization

The Franklin Asset Building Coalition acted as host organization for the project. While not a formal body (it is not incorporated as a 501 (c)3 nonprofit or in any other capacity), it is the umbrella under which financial education and asset building takes places in Franklin, NH with a specific focus on providing resources for working families.

The Franklin ABC has been led since its inception in 2002 by Casey Family Services, the direct service agency of the Annie E. Casey Foundation. This relationship is unique in that no other large foundation in the US operates a nonprofit direct services agency. In addition to the grantmaking done by the Casey Foundation, Casey Family Services has been a licensed child welfare agency since 1976. CFS has divisions in seven states, including New Hampshire, working in conjunction with state agencies around foster care. CFS's Family Strengthening services are aimed at keeping vulnerable children and their families connected.

The economic and educational issues affecting Franklin brought Casey Family Services to establish a presence in Franklin in 2000. The resources of the Annie E. Casey Foundation were harnessed in efforts to address these issues through its place-based focus on such areas as community schools and Rural Family Economic Success (RuFES). Economic and social problems in a community were seen as linked. The Franklin ABC was started as a means to bring together like-minded partners in helping to bring about the financial stability of working families.

The Internal Revenue Service acted as a facilitator of specific programming of the Franklin ABC. The IRS provides outreach through its Stakeholder Partnerships, Education and Communications (SPEC) office to help working families claim tax credits for which they may be eligible. Chief among these is the earned income credit (EIC), which can provide a payment of up to \$5,666 (for 2010 wage earners) to working families. The IRS estimates 20-25% of eligible people do not claim the EIC, either because they do not know about it, find it too complicated, or think that it may impact benefits they may be receiving. SPEC embarked on a nationwide effort to increase the number of Volunteer Income Tax Assistance (VITA) site in the U.S. as Casey Family Services was developing its services in Franklin. Several other organizations have been involved in the Franklin ABC both in organizing the tax campaign and branching out to the other financial education and asset building that formed the basis for this project.

Franklin Savings Bank has been a participant since the outset of the Franklin ABC. The bank lent a component of mainstream outreach to the efforts through its connection to the business community. The bank's role in the VITA campaign, including use of the Smart CD as an asset building tool has already been detailed. FSB staff have actively participated in such efforts as outreach to youth in classroom and after school presentations on such activities as teaching how to balance a checkbook. FSB also had a booth at the Money Show and participated in the NH Savings Challenge, growing its participation in the latter to all eight of its branches. The bank's marketing staff also gave in kind support in the development of promotional materials.

CATCH Neighborhood Housing is a nonprofit organization that is a Neighborworks agency. It has conducted several first-time homebuyer and related workshops in Franklin and is a provider of IDAs, in addition to staffing a booth at the Money Show.

UNH Cooperative Extension is the family education arm of the University of New Hampshire. Its Merrimack County office served as an active coordinator of such programming as a basic money management course ("Making Money Work for You") in addition to educating both adults and youth on such diverse topics as effective parenting and stretching the grocery dollar. Extension staff also co-facilitate a support group with a Casey

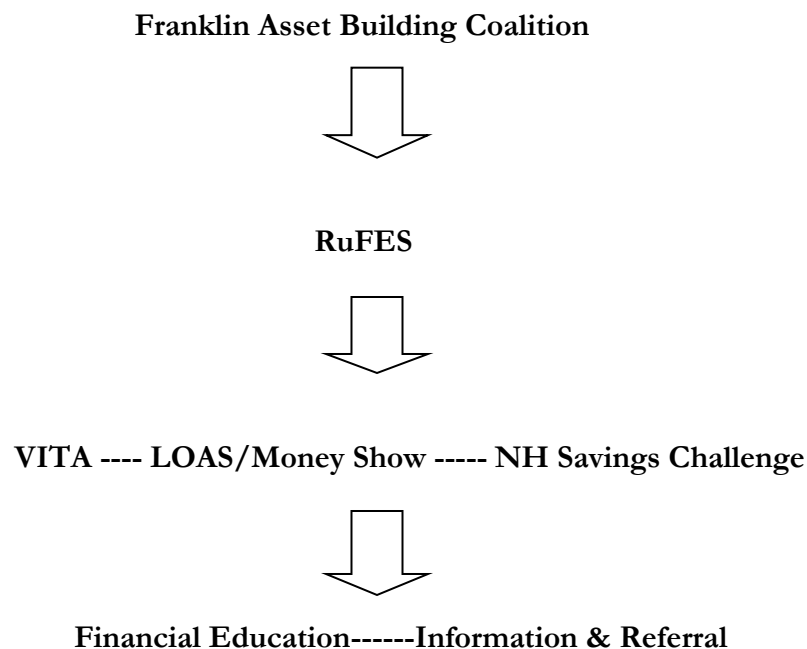
social worker for providers of “kinship care”, family members (principally grandparents) raising a relative other than their own child.

Belknap-Merrimack Community Action Program is the local provider of such services as fuel assistance and weatherization. BMCAP has been instrumental in outreach to the lowest income members of the community, who constitute their clients.

More Than Wheels has been a regular participant of late, helping to address the important issue of transportation in a community lacking public transportation to speak of. A public bus run by BMCAP only makes two daily runs through Franklin, and residents need reliable transportation to get to work or do personal business such as grocery shopping. More Than Wheels, formerly Bonnie CLAC, provides financial education, particularly around vehicle financing with an effort to improve the credit history of their participants. They are an IDA provider and exhibitor at the Money Show.

Other organizations have been represented from time to time, but these constitute the core or planning efforts related to this project. The project author is community liaison for Casey Family Services, and serves as chair of the Franklin ABC, convening the monthly meetings and inviting speakers on relevant topics and serving as site coordinator for the VITA program. He also chaired the project, acting as liaison between Casey staff that organized the Lights On After School event and coupling it with Franklin ABC organizations and other participants in the project.

Organizational chart



Method

“Lights On After School featuring the ‘It’s Your Money’ Show was the principal program created to carry out the project’s objectives. It formed the basis for several related activities and the involvement of several collaborators.

The Business And Professional Women of Franklin joined the project just prior to the implementation phase. The chapter has conducted an activity called the “reality store” in which youth, principally teenage girls, can learn about the world of work and about budgeting. Specifically, participants identify an occupation, learn what the income is for that occupation, and go through a series of exercises to live based on that income. It includes renting and furnishing a home and learning about unexpected expenses. A miniature version of this day-long program was conducted at the Money Show and engaged participants, particularly middle school-age boys and girls and some adults.

The New Hampshire Savings Challenge was developed as a result of this project. A family resource center in northern New Hampshire started the “Roll Your Change Challenge” modeled after the Consumer Federation of America’s “Roll Your Change Week” to demonstrate that even coins can add up to an amount worth saving. The goal was to encourage people to open savings accounts or make deposits to existing but underutilized accounts. In Franklin, the FABC collaborated with the north country organization as well as similar organizations in New Hampshire’s capital area and seacoast to form the basis for a statewide social marketing campaign. The designated week for the savings challenge was the week following Lights On After School/Money Show, so attendees at that event were encouraged to make deposits the following week. Participating financial institutions also promoted the campaign at their branches, and put up such prizes as US Savings Bonds for a drawing among depositors as incentives.

Citizens Bank approached the Franklin ABC about promoting its low-interest loans for home energy improvements. A bank representative staffed a booth at the Money Show and collaborated with weatherization staff from the Belknap-Merrimack Community Action Program on a workshop the following week.

Products & Outputs

By the end of 2011 it will have been two years since the design of the project began. By that time, it is estimated that several components of the project will continue. These include the VITA site with its offering of the Smart CD with the same criteria for incentives and the promotion of buying US Savings Bonds at the time an income tax return is filed. The latter will be carried out in conjunction with the National Community Tax Coalition campaign, “Bonds Make it Easy”.

Lights On After School will be well on its way to becoming an established resource with the additional components of the “It’s Your Money” Show to bring together a variety of financial resources under one roof, and demonstrating availability of those resources to Franklin’s working families.

Franklin will continue to participate in the NH Savings Challenge. Added to the message about saving loose or rolled coin will be greater emphasis on how working people can use

direct deposit, if their employer offers this tool, to build assets by depositing a portion of their paychecks into a savings product.

Several of the banks that were involved in the Savings Challenge expressed interest in developing that marketing effort further, possibly including a series of “themed” workshops. This could include working with the IRS tool of the Withholding Calculator to demonstrate to working families how to make an adjustment in their federal withholding to seed that savings deposit rather than have so much taken out of their checks that it is far in excess of the federal income taxes they owe.

Finally, the door has been opened to work with several of the community organizations that were involved in the Money Show. Of particular note is the Business and Professional Women, uniquely positioned to develop a mentoring program for young women, particularly single mothers, to help the development of longer-lasting components of the project.

Logic Model

| Problem | Inputs | Activities | Outputs | Short-term Outcomes | Intermediate Outcomes | Long-term Outcome |
|--|---|--|---|--|---|--|
| Working families save too little to meet emergencies or to make their dreams into reality—or to dream at all | 1)Financial institutions 2)NH Community Loan Fund 3)Community Action 4)UNH Cooperative Ext. 5)IRS 6)Consumer Credit Counseling | 1)Free tax prep. “Bonds Make It Easy” campaign (Promote Smart CD, Savings Bond at tax prep) 2)Financial Ed. Classes 3)Save Your Change Challenge 4)Financial I & R 5)Tie w/Lights On After School | 1)300 tax filers exposed to Smart CD, Savings Bond 2)Greater attendance at classes 3) More IDA savers 4) People of all income levels participate in saving, including use of loose change 5) More referral to partner | 30 tax filers will become or continue to be Smart CD, IDA, Savings Bond holders Greater knowledge of financial planning principles and resources for help as needed | Low income families on the way to realizing their financial dreams, utilizing “their resources” (that they consider themselves having a tax preparer and a financial planner, for instance) | Asset building among low income families and the institutions serving them becomes more mainstream. More services (a college? additional financial institution?) in the community. Low income working families are financially savvy and in the savings habit, putting aside \$ for emergencies, planning for college, homeownership, retirement, |

| | | | | | | |
|--|--|--|---|--|--|-------------------------|
| | | | agencies 6) Youth & parents involved together | | | financial stability. |
|--|--|--|---|--|--|-------------------------|

Implementation

Project Planning

The plan for this project was to build on the free income tax assistance, financial education classes and an information and referral service that the Franklin Asset Building Coalition has been carrying out.

The main components of that plan were the development of Lights On After School into a multifaceted activity that included the Money Show. This involved working with staff of the existing afterschool program and school staff on the logistics of a late afternoon/evening that included transforming the middle school gym into an exhibition hall, arranging for transportation of children from two elementary schools, organizing a meal, and promoting the activity to parents and the general public.

Planning for the Money Show portion of the activity included outreach to a variety of exhibitors and the scheduling of activities and coupling it with the attendant related activities of the NH Savings Challenge, Homebuyer Express, and Energy efficiency workshops.

Implementation Plan

Lights On After School featuring the “It’s Your Money Show”—primary activities involved in putting this on and the people responsible included:

Franklin Asset Building Coalition acted as a steering committee. Starting approximately nine months prior to the activity, the group began listing ideas for implementation. These included carrying over several components from Lights On After School, principally the dinner, canned food drive, and interactive exhibits set up by middle school youth. These components were arranged by Kattie McKinnon, site director for the Casey Family Services middle school site in conjunction with Brenda Petelle, school food services director. Ms. McKinnon submitted the requisite facilities use request to the school principal. One month prior to the activity, the project chair drafted a “floor plan” and worked with custodial staff to fine-tune the placement of tables. The week of the activity, he confirmed those details, including arranging for the required number of tables and chairs to be brought into the gym. The day of the event, these tables were set up immediately following the end of the school day. One exception was the “Reality Store” which was set up in a main hallway during the final period of the school day, so BPW members could capture youth leaving their last class. Other tables and chairs were arranged in rows in the gym. A Casey Family Services administrative assistant designed and printed “table tent” placards for each booth. The booths were arranged with groupings in mind, such as Franklin Regional Hospital having their health education booth next to that of NH Healthy Kids, the state’s Child Health Insurance Program, creating a “health corner”.

Components that were added included a “learning station” humorously designed like the “Psychiatrist is In” booth in the Peanuts comic strip, with signage saying “Free answers to your questions about (taxes, legal issues, credit)”. Members of the FABC volunteered to staff the booth for designated periods of 30 minutes each, including George Helwig, CATCH Neighborhood Housing’s education director, who also recruited the agency’s CFO, Helen Greene, a CPA by training, to answer tax questions. Other speakers included representatives of Consumer Credit Counseling Service of NH/VT and the NH Bar Association Low Income Tax Project.

Franklin ABC members also served as exhibitors, developed a list of additional exhibitors, and reached out to them. Franklin Savings Bank, one of the exhibitors, made their booth engaging by adding a “Wheel of Fortune” to create a carnival atmosphere.



Joe Thornton of Franklin Savings Bank (l) entertains a mother and son at the FSB booth.

The complete list of organizations represented was:

Belknap-Merrimack Community Action Program
Business and Professional Women of Franklin
Caring Community Network of the Twin Rivers
Casey Family Services
CATCH Neighborhood Housing
Citizens Bank
Consumer Credit Counseling of NH/VT
Franklin Asset Building Coalition
Franklin Police Department
Franklin Regional Hospital
Franklin Savings Bank
Head Start/Early Head Start
Health First Family Care Center
Low Income Tax Project
MicroCredit-NH
More Than Wheels
NH Higher Education Finance

NH Healthy Kids
Northway Bank
Parent Teacher Organizations of
Paul Smith and Bessie Rowell Elementary Schools, Franklin Middle School
Social Security Administration
Tiny Twisters
UNH Cooperative Extension

Outreach to representatives of these agencies began approximately seven months out by email, continued by a combination of email and phone calls, and continued with confirmation/reminder emails in the two weeks prior to the activity.

NH Savings Challenge—Marilyn Sullivan, family educator with UNH Cooperative Extension, served as a coordinator to help enlist financial institutions within Merrimack County. She also involved the chairs of the Franklin and Concord Asset Building Coalitions. Beyond Merrimack County the two Coalition chairs interacted with their counterparts elsewhere in the state beginning about six months prior to the designated savings week. The result was participation by the following financial institutions: Franklin Savings Bank, Northway Bank, Merrimack County Savings Bank, Citizens Bank, Laconia Savings Bank, First Colebrook Bank and NH Federal Credit Union.

The organizers identified a key contact at each bank/credit union. Their role was to determine the extent of the involvement, whether by all of the institution's branches or just one, and to arrange the specific details of the process. This included distribution of promotional materials, entry forms describing the rules for the designated week and specifying how prizes would be awarded. In Franklin, this included drawings for a \$100 US Savings Bond for each participating financial institution, then comingling them with entries from Franklin and Concord for a grand prize drawing of a \$1,000 bond. A representative of Franklin Savings Bank, Paula Gilbert, spearheaded this component among six banks and the purchase of a \$1,000 Series EE bond, meaning a \$500 initial cost that was split six ways among the banks.

Other financial resources—in order to follow up on the fun one-time session that was the Money Show, a number of other activities were employed to add substance to the project and to provide ongoing direction to the people being served. They include:

Information and Referral offered by Casey Family Services at its office in Franklin, led by the community liaison, with a working tally of financial resources updated by conducting outreach to about 17 organizations. These organizations provided brochures that can be given to callers and Casey staff are provided with inservice on these resources to answer inquiries.

Workshops on topics ranging from basic money management, first-time home buying, and energy improvements for current homeowners have been provided by such partners as UNH Cooperative Extension, CATCH Neighborhood Housing and Citizens Bank, respectively. A survey was developed by the Franklin ABC and offered to attendees at the Money Show to see what other topics would be of interest. There was little response, with only nine surveys completed, so future offerings will be held with only a modicum of input and some amount of trial and error.

Inputs

The primary input was in the form of time, given by planners of the project. This included monthly meetings of 5-8 representatives of differing groups each lasting 1-2 hours for a period of nine months. One or two members of the committee spent 2-5 hours/week in outreach and developing the details during the project planning phase. At the implementation phase, there were about 30 people involved in putting on the Money Show that included set up, three hours of the activity, and breakdown. Tellers and managers from six financial institutions were involved during the week of the Savings Challenge, and each of two subsequent workshops had staff of 2-3 people for about two hours each.

Several hundred brochures were distributed from the various organizations involved in the activities, and other inputs included physical space in the school gym and cafeteria, the meal that was provided, and about 2,000 printed flyers that were distributed, principally in a 1500-piece mailing. Other flyers were distributed by hand through the schools.

Staffing Pattern

All of the staffing of this project was provided by staff and volunteers of the various organizations involved. The Franklin ABC has included employees of the member organizations serving as part of their professional roles. This included the project/committee chair and the organizers of various subcomponents, including speakers at the Money Show booth and at the two workshops. Key contacts at each bank were the branch manager or a vice president, and the school principal gave approval for use of the middle school in components of the project involving food service, custodial staff and an administrative assistant.

Budget

There was very little actual expenditure, as most of the salary cost that would have been incurred was provided in-kind by the participating organizations as part of meeting their own missions.

School custodial staff was also provided in-kind, although another similar event in another school district might require an expenditure to pay for custodial services. Food service was provided by Casey Family Services and the school district through a 21st Century Community Learning grant the two received to carry out afterschool programming as part of Lights On After School. Serving and cleaning up of the meal employed Franklin High School students who received community service credit in exchange for their time, so there was no additional expenditure there.

Approximately \$300 was spent on printing and another \$750 on the mailing, including about \$660 on postage and the rest on envelopes.

Project Implementation Report

Goals

Hold fun & interactive event

Objective(s) to achieve goal

PR conducted with PSAs on WFTN

Print publicity on WFTN Web site, Franklin Voice,

Three Rivers News, direct mailing

| | |
|---------------------------------|---|
| | Event held with 200 attendees Begin discussion with BPW to follow up |
| Increase awareness of resources | 25 booths at Money Show Savings Challenge Homebuyer Express workshop Energy workshop |

Further detail is described in the Conclusions and Recommendations section.

Project Implementation Gantt chart

Attached as addendum in Appendix

Monitoring & Evaluation

Management Information System

Monitoring of the project consisted mainly of monthly updates at Franklin ABC meetings. The chair developed notes from an early brainstorming session and these were “massaged” into the final implementation.

The management information system was focused primarily on the Lights On After School event, with timelines for setting up the various details, and a progress report on who was confirmed as exhibitors.

During the planning phase, some components of the project developed that were not originally articulated in the brainstorming session, and this included the energy workshop. An adjustment was made in the Fall 2010 offerings to include this workshop. Outreach was made to two resource providers, one of which, Belknap-Merrimack Community Action provided a speaker through its Weatherization program. Public Service of NH, the electric utility serving Franklin, was approached and while no speaker could be scheduled, they did provide printed materials that were distributed at the workshop and added to the information and referral offerings at the Casey office on an ongoing basis.

The Homebuyer Express workshop was also a change from the original plan, which was first organized to be held in the Spring of 2010. When there was little response, the workshop was postponed until the Fall. Planners regrouped and coupled the marketing effort to the mailing for the other components. This time, there was a better response and the activity was held with 13 people attending, including one IDA saver.

Data collection proved an elusive component. An initial attempt to conduct primary research through focus groups met with limited success. A small group of savers, utilizing an incentivized certificate of deposit, yielded some insights that will be useful going forward. A second session, which was to have consisted of a group of non-savers to serve as a control group, did not take place for lack of participation. Notes from the session that did take place are added as an Appendix item.

Surveys conducted at the Money Show and Energy Workshop resulted in a total of 12 responses. While this is not enough to be statistically significant, it does provide some

anecdotal guidance and further connection to the individuals who did respond. Staff at one of the elementary schools where the afterschool program is held, and which was the target audience for the Money Show, report that parents have been resistant to respond to surveys.

Summary Monitoring Table

| GOAL | OBJEC-TIVE | MONI-TOR-ING | TIME-LINE | ALTR. ACTION | ATTAINMENT OF BENCHMARK |
|-------------------------|---|---|---|--|---|
| Fun & interactive event | Add \$ Show to LOAS Hold w/100+ attendees | On target | Facil. Request submitted Jan '10 Outreach to exhibitors, March-Sept., '10 Mailing sent 9/9/10 Hold 10/14/10 | BPW involvement Promote More than Wheels | 200 attendees, achieved Output of "Youth and Parents involved together"—relates to Short-term outcome of "greater knowledge of financial planning principles and resources for help as needed." |
| Savings Challenge | 6 participating financial institutions | Partners on Board | Included in mailing Hold 10/16-23 | Start statewide "NH Savings Challenge" branding Bring in sync with North Country "Roll Your Change" | 364 participants |
| Energy Workshop | Hold as follow to Money Show | Citizens Bank, BM-CAP, PSNH to provide speakers | Tie to LOAS Hold 10/18 | Suggested by new partner | Since this was unscheduled, it met the Output of "Greater attendance at classes" with four attendees. |
| Home Buyer Express | Hold with as least 6 participants Promote w/\$ Show | Grew out of LOAS | Down housing market Hold 11/13/10 | Tie to promoting IDAs | 13 attendees including 1 current IDA saver needing to make up Fin. Fit. Hours. |
| College | Staff person | | Establish | Conduct business | News release |

| | | | | | |
|-------------------|---|--|---|--------|--|
| comes to Franklin | from Granite State College holding office hours | | presence with eye toward long-term outcome First office hours 11/9/10 | survey | announcing presence, plans to hold 1-hour workshop on 12/14. |
|-------------------|---|--|---|--------|--|

Performance Indicators

Two short term outcomes were created as performance indicators for the life of this project:

1) 30 tax filers will become or continue to be Smart CD, IDA, Savings Bond holders. This goal was 73.3% met with 22 tax filers putting a portion of their tax refund into one or more of these savings products, based on a report by IRS/SPEC . Most of these were from 21 Smart CDs that filers either opened or added to, according to figures compiled by the Franklin ABC. Twenty of these savers were low-to-moderate income, having met the criteria of being eligible for the earned income tax credit, which is defined by the IRS as having a maximum household income of \$48,300 for a married couple with three or more children.

2) Greater knowledge of financial planning principles and resources for help as needed. The limited response to the survey prevents being able to provide a summative evaluation of this outcome. Yet the Money Show proved to be very interactive. One exhibitor reported visitors to his booth were “staying longer” than in the previous iteration of the show. In addition, the Homebuyer Express attendance increased from only one registrant in a postponed attempt to hold the activity to 13 only six months later. This may be the result of a combination of factors, including stepped-up marketing efforts. While the economy continues to be challenging, some of the fear and uncertainty that followed the “Great Recession” may have given way to people realizing that both interest rates and housing prices have come down, leading to a buyer’s market.

Ongoing awareness of resources for help have grown out of this project, and is leading to the community conversations that the project organizer hoped to achieve. Some of this is need-driven, as NH Employment Security established a satellite location in Franklin, using space at the public library. There, local residents can meet with an NHES representative every Tuesday to learn interviewing and other job search skills, post their resume online, and get direction for other benefits for which they may be eligible, such as Veteran’s benefits.

The NHES manager stated a commitment to continue the presence in the community as long as Franklin’s unemployment rate remains significantly above the state rate. The staff person who has been in attendance reports that she sees as many as 52 people at each weekly session.

Tagging along with that has been a representative from Granite State College, in efforts to reach those people who may want to go back to college as part of a need or desire to upgrade their skills. She has been holding office hours monthly, during one of the Tuesdays

when the NHES representative is at the library. In January of 2011 she was joined by a representative of NH Higher Education Assistance Foundation from their Center for College Planning, as the filing period began for federal student aid applications. This also grew directly out of the Money Show, as NHHEAF's representative was one of the exhibitors. That has so far resulted in one new Individual Development Account being opened for a high school senior hoping to attend college in the Fall.

While the number of people that Granite State College has seen has not been large, the College, the city of Franklin, school district and several key employers are working with the Chamber of Commerce on an advisory group in hopes of advancing postsecondary education in Franklin. The Project organizer is also on this advisory group, which has developed a survey to go to employers to determine what skills they need in their workforce, a need that Granite State College hopes to meet.

Summary Evaluation Table

| <i>Goal</i> | <i>Objectives</i> | <i>Perf. Indicator</i> | <i>Expected Outcome</i> | <i>Actual Outcome</i> |
|---------------------------|--|---|--|--|
| Fun and Interactive event | Add \$ Show to LOAS Hold w/100+ attendees, promote Savings Challenge | Exceeded measurable obj., attendees "stayed longer" and were engaged | 20 exhibitors, 100 attendees | 24 exhibitors, 200 attendees |
| Energy Workshop | Timely follow to \$ Show w/at least 6 attendees | | 10 attendees | 4 attendees |
| Home Buyer Express | Housing partner puts on workshop, mailing through schools | 1500 piece mailing helped boost attendance, 1 IDA saver attended for the Fin. Ed. hours | 6 attendees | 13 attendees |
| Savings Challenge | Involve 6 financial institutions to promote specific steps to saving | More than \$326,000 deposited in 1 week, good PR, enthusiastic support of banks | 6 financial institutions, 300 participants | 6 financial institutions, 364 participants |
| College comes to Franklin | 1 specific outgrowth of | Discussions w/Granite State | Conduct survey of 100 | Survey developed |

| | | | | |
|--|--|--|--|---|
| | Money Show with longer-term implications | College resulted in monthly rep., joined by financial aid rep. | businesses to determine training needs | (Dec. 2010) and mailing being developed |
|--|--|--|--|---|

Sustainability Elements

The financial costs of this project were relatively minimal, in that most of the people directly involved gave their time as relevant to their jobs. This included the Community Reinvestment Officer for a community bank, an education director for a housing agency, the director of the community action office, and a family educator for UNH Cooperative Extension. All of these positions are found in communities across the United States. For example, every state has a land-grant university with an extension office to provide outreach to the community. Specific to Franklin, these are all people from organizations whose respective missions contribute to the sustainability of a project that is about asset building for low-to-moderate income people.

The political and social circumstances are ones which require ongoing monitoring, with a sensitivity to the players involved. As there are new people in key community roles, someone in a leadership position with the project must conduct outreach to those players if the stakeholders are to remain favorable to the project. For example, during the course of this project a new superintendent of schools was appointed. The project chair met with her to educate her about the role of the Franklin ABC, a key matter as the group worked so closely with the school district to carry out components of the project.

Sustainability Plan

Continuing this project will require ongoing conversations between and among the stakeholders involved. The steps that have been taken so far are to continue the VITA project and gain input from such resources as the National Community Tax Coalition and IRS/SPEC. This will keep that portion of the project current with changes in tax law that may be of benefit to working families. For example, the IRS has changed the federal Adoption Tax Credit to allow children who have been adopted through the state child welfare system to be included as “special needs” adoptions. This may have particular benefit to working families in developing lifelong connections to children for whom they have been providing foster care, resulting in a societal as well as financial benefit.

The Franklin ABC will continue to meet in the foreseeable future. Outreach to the Mayor and city council to report on the results of the VITA campaign have helped to demonstrate the economic value that the project provides to the community. Conversations with city officials, educators and the business community on such topics as establishing a college presence in Franklin has brought the work of Franklin ABC into the main stream, making it more embedded.

The minimal financial resources required can be accomplished through in-kind support, such as photocopying provided by a member agency or the donation of a larger printing job by a local printer. As the needs of the project grow, the connection to relevant stakeholders may result in sources of corporate or foundation grant support.

Institutional Plan

Several of the organizations participating in the Franklin ABC have already institutionalized components of this project to a large degree. IRS, through its SPEC office, for example, has seen the VITA campaign grow to become one of the largest ways in which LMI Franklin families file their federal income tax returns. They have a mission-related stake in seeing this component of the project continue.

Several of the social service agencies as well as the community bank that have been involved with the work that preceded the project have a vested interest in its continuance as well. This includes a housing agency, health clinic, and child welfare agency that have all demonstrated a commitment to the work as it relates to their respective missions. During that time, there have been several changes in personnel who represent Franklin Savings Bank to the Franklin ABC, but there has been an easy transition on the part of that for-profit institution as well.

Intentionality will be a factor in continuing this work for the longer term. The Annie E. Casey Foundation and Aspen Institute have co-hosted annual gatherings of the initial participants of the Rural Family Economic Success Institute, which brought together Franklin ABC representatives with people doing similar work in other parts of New Hampshire as well as Maine and Vermont. These gatherings have offered an opportunity to evaluate the work the Franklin ABC is doing and gain input from colleagues in the field in Northern New England as it develops a plan for the future. If changes in the missions of any of the key players are foreseen, it will lead to some succession planning being built into the plan of work to ensure the work of the project will continue.

Conclusions & Recommendations

The specific objectives of the project were largely achieved. About 200 people attended the Money Show when it was coupled with Lights On After School. This was up from 50 when it was a stand-alone activity the previous year. The result was double the objective that had been set. In addition, there were 24 exhibitors with an objective of 20. Clearly, the nonprofit organizations welcomed the opportunity to reach this population.

Beyond the specific numbers, it worked well to engage the community in the basis of a conversation that is at the heart of the project. Several activities taking place in a short period of time put pressure on the planners, but served to create momentum to meet a variety of needs and interests. This included youth who had the opportunity to join with their parents in learning about resources for financial education. People with little in savings were able to take part in a social marketing campaign that included the message that even loose change could add up to something significant. Homeowners were given the opportunity to learn about ways to improve the energy efficiency of their homes, and how to

pay for those improvements. Others were able to learn how to become homeowners. Merely curious youth and adults were exposed to resources for improving their finances that they may revisit at a later time.

One short-term outcome that was not fully achieved was the tax campaign resulting in 30 filers adding to or opening a Smart CD. There was, however, progress since the offering of this savings product with incentives began to be offered four years earlier. At that time, only three CDs were opened, and one was closed just after one year. Similarly, Individual Development Accounts remain underutilized, despite that it offers as much as \$6,000 for the stated purposes. Project organizers remain curious to find out more about why eligible people would not take full advantage of this opportunity. It may include a combination of factors, such as suspicion about getting something for nothing by a group of people raised to be wary about something “too good to be true”. Anecdotally, some eligible people have said that the commitment to becoming a home owner or to go to college is beyond the thinking and desire of many people who meet financial eligibility, but are not psychologically ready to make that commitment.

Still, the people who do take up on these and other incented resources are encouraging. The Money Show brings together a variety of resources who can demonstrate to working families that they do have a tax preparer, legal services, and financial advisors that they can call on, just as upper income people do. Organizations offering education and in some cases financial sources for home ownership, a new vehicle and college show what is possible, and what is available.

In the longer term, a sustained effort on the part of project organizers appears to be taking hold. Financial institutions and city government are among the participants who are helping to bring this work into the main stream. Project leaders will need to continue to state the message about the long-term outcomes in ways that will have meaning for those institutions, based on tracking of saving and home purchase to the extent that it can be documented.

It will, of course, take more than a one-time event such as the Money Show to sustain the interest of working families. There are too many factors competing for their time and attention, from the needs of their children to their jobs, to the continuing cacophony of messages reinforcing consumer behavior over savings. Despite a low budget, work such as that of the Franklin ABC can continue to gain a foothold in breaking through the clutter and reminding working families of the resources available to them. A volunteer focus would seem to be a worthy one, as demonstrated by the number of those who give their time to free income tax preparation. A formal mentoring program could also provide an ongoing means of continuing to provide allies in giving working families somewhere to turn. Conversations have begun with the Business and Professional Women of Franklin on such a mentoring effort.

There are similar resources available in most every state and community. It takes a “champion” to bring those resources together and to advocate for working families. The Franklin Asset Building Coalition has worked to be that champion. This project has attempted to demonstrate in the short term what it takes to do that, and the degree to which the target audience is receptive.

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Addendum I

Notes on the Focus Group for Smart CD Savers (1/11/2010)

Focus group facilitated by Christopher Colpitts, MSW. Note taking by Erin Dudley, BSW, and Cary Gladstone, BGS.

1. What types of savings accounts/programs are you using?

One participant stated that prior to losing her well paying job, due to the economy, that she had numerous CD's, an emergency fund, and also a liquid IRA. She does not have these at this time. However, she currently has a Smart CD and has put money in at tax time for the past two years. In addition she stated that she has deposited her own money twice during the past year.

Another participant stated that she has no savings account other than the Smart CD. She stated that due to her finances and her limited income she cannot save. She did state that she has a checking account.

a. If you are not using any other accounts that Smart CD, why?

The participants concluded that in this economy and due to individual circumstances (be it unemployment or underemployment) that they are unable to afford dependant expenses, housing, and their regular bills. According to the participants, the reason they don't have a lot in savings is because they can't focus on saving when they are worried about simply getting by.

2. What are you saving for?

One participant identified that she was saving toward buying her first home. Another participant stated that her goal was to save money towards her granddaughter's education.

a. How do you think Smart CD will help?

The participants agreed that although the Smart CD is only a small amount of money that it is something saved toward their goal. The participant whose goal was to purchase a home stated that the Smart CD would allow her to have a small fund to make repairs to a home. The other participant stated that any money is good when it is used toward an education, no matter how **little it is**.

3. What are your financial goals?

Both participants agreed that they would like to be able to save more and to be more financially stable. However, during this time it is a difficult goal.

4. Why did you decide to participate in the Smart CD program?

One participant stated that it is too good to turn down. It was easy because it was at their personal bank. Additionally, the participants thought the return on their investment was great. Even if it is a small

amount and two hundred dollar return on a one hundred dollar investment was referred to as a “no brainer”. Both participants stated that she participated because at tax time she had the extra money to save. In addition in one woman’s experience, every little bit saved helps.

5. How do you plan on using the Smart CD?

This question was answered by participants in the same way as question two, one stated for home repairs and the other stated for her granddaughters education.

6. What do you like about the Smart CD program?

Both group members loved that they were getting a two hundred percent return on their money.

a. What aspects would you change?

Both participants stated that the matches, both by Casey Family Services and by Franklin Savings bank, were not deposited on time or were not deposited at all. This was a great frustration to the participants because not only were they missing out on interest, but it made the program a “hassle”. In order to get her money, one participant stated that she had to make numerous calls to Casey Family Services and the bank.

The participants thought that more prompt service, a pre-determined match date for all participants would make the Smart CD program more efficient and more satisfying for consumers.

7. What would you tell others about the Smart CD program?

Both participants talked about it as a great opportunity to create a savings fund. One participant seemed very eager about encouraging other community members to save.

Additional Questions Covered During the Group

1. What messages did you receive about saving when you were growing up?

One participant stated that she was not told about the importance of saving. Her family did not have a lot of money and she stated that it was “tough to get by”. At the age of 16 she was working and buying her own school clothes. She said growing up and now, it seemed as though saving was easier for people who have enough money.

2. Why did you make savings a priority?

Both participants agreed that outside influences were very important in their decision to begin saving. One participant noted that her decision was influenced by a co-worker who emphasized the importance of obtaining an education. She stated that she wants her granddaughter to get an education and that she knows that this costs a lot of money. Savings became a priority for her because she wants to see her granddaughter succeed. Another participant stated that her goal of buying her first home

in the next six months was nearing and she thought this was a great way to put away a little money for home repairs.

3. What are some incentives that would help others to begin saving?

Both participants agreed that it is important to start young. Savings was looked at as a multigenerational process. The participants conveyed that if in addition to their saving, their children or children in the community were taught about saving at a young age that the Smart CD program could be more beneficial.

In addition the participants pointed out that the easier it was to deposit money, the better the savings program would be. Direct deposit was an important factor and incentive for both participants. The participants also suggested that they were more likely to keep their savings in an account if the money was harder to access. The participant's wouldn't remove money from savings accounts which imposed penalties for getting their savings early.

Furthermore, both participants discussed that small incentives, such as lottery's or raffles, seem to be well liked within their community. It was suggested that the possibility of winning money or tangible goods was exciting.

LIGHTS ON AFTER SCHOOL FEATURING
THE FOURTH ANNUAL
“It’s Your Money” SHOW



Many exhibitors!

Bring the Family!

Activities for Kids!

FREE Dinner!

FREE ADMISSION!

FOR ALL WHO ENJOY OR ARE INTERESTED IN MONEY!

FREE EXPERT ADVICE UNDER ONE ROOF ON:

Paying for College
Credit Repair
Self-employment
NH Healthy Kids

Social Security - What You Need to Know
Healthy Eating and Active Living
Camp BPW

AND MORE!

**THURSDAY, OCTOBER 14, 2010
4 TO 6 P.M.**

Franklin Middle School
200 Sanborn Street
Franklin, NH 03235

**Don't forget to take
part in the New
Hampshire Savings
Challenge:
October 16-23rd**



Sponsored by the Franklin
Asset Building Coalition

934-3315

For More Information

www.caseyfamilyservices.org

ADDENDUM III

Financial Education survey

The Franklin Asset Building Coalition is planning to conduct further Money Management programming. We'd like your input as we plan our activities for 2010-11.

Do you want to learn how to better manage your money?

_____ Yes _____ No

How would you describe your financial know-how?

_____ Basic (I can balance a checkbook, but that's about it.)

_____ Intermediate (I maintain a household budget, can read my credit report.)

_____ Advanced (I'm well-educated financially and people come to me for answers.)

What topics would you like to learn more about? (Check as many as you are interested in)

_____ Writing and sticking with a budget

_____ Credit repair

_____ Debt management

_____ How to avoid scams, including on the Internet and ID theft.

_____ Saving and investing

_____ Buying my own home

_____ Other (what?) _____

How do you prefer to learn?

_____ Just give me something to read

_____ One-to-one

_____ Attend an interactive gathering with other folks

If you're willing to attend a gathering with other people, when is best for you?

_____ During the weekday

_____ Evenings during the week

_____ Weekends

May we contact you in the future? _____ Yes _____ No

If yes, Name: _____

Address: _____

Town/City: _____ Zip: _____

Phone: _____

Email: _____

ADDENDUM IV

Casey Family Services is trying to help the families we work with become more aware of resources to help them meet their needs. Please return the following survey and be entered for a chance to win a Hannaford gift card.

Did you attend Lights on After School featuring the "It's your money" Show on October 14, 2010?

_____ YES _____ NO

If yes, which booth(s) did you visit from the list below:

If yes, which booth(s) did you visit from the list below:

| | |
|--|---|
| _____ Casey Family Services | _____ NH Healthy Kids |
| _____ Belknap-Merrimack Community Action Program | _____ Health First Family Care Center |
| _____ UNH Cooperative Extension | _____ Franklin Regional Hospital |
| _____ Consumer Credit Counseling of NH/VT | _____ Caring Community Network of the Twin Rivers |
| _____ NH Higher Education Assistance | _____ Head Start |
| _____ CATCH Neighborhood Housing | _____ Early Head Start |
| _____ Franklin Savings Bank | _____ Franklin Police Department |
| _____ Social Security Administration | _____ Tiny Twisters |
| _____ More Than Wheels (formerly Bonnie CLAC) | _____ Business and Professional Women of Franklin (Reality Store) |
| _____ Citizens Bank | _____ Parent Teacher Organizations— |
| _____ MicroCredit-NH | _____ Paul Smith Elementary School |
| _____ NH Bar Association Low Income Tax Project | _____ Bessie Rowell Elementary School |
| | _____ Franklin Middle School |

If no, would you like more information from any of the organizations listed above:

(If so, please check off all that you are interested in and give us your name and contact information.)

Everyone: Have you used any of these resources before or since? _____ YES _____ NO

If so, which one(s) _____

What other questions do you have? _____
(Use other side if needed)

OPTIONAL:

Name: _____

Address: _____

Town/City: _____ Zip: _____

Phone: _____

Email: _____

| | 2010 | | | | | | | | | | | | 2011 | | | |
|--------------------------|--------|--------|--------|------|---------|---------|---------|---------|--------|--------|-------------------|-----------|--------|--------|--------|--------|
| <u>Tasks</u> | J | F | M | A | M | J | J | A | S | O | N | D | J | F | M | A |
| Focus | | | | | | | | | | | | | | | | |
| Group | X-1/8 | | | | | | | | | | | | | | | |
| Tax | X----- | X----- | X----- | 4/15 | | | | | | X----- | (PLANNING '11)--- | X----- | X----- | X----- | X----- | X----- |
| Campaign | | | | | | | | | | | | | | | | |
| Evaluation | | | | 4/27 | | | | | | | | | | | | |
| SYCC | | | | | | | | | | | | | | | | |
| Outreach-- F.I.s | | | | | X---- | X----- | | | | | | | | | | X----- |
| Print mats. | | | | | | | | X----- | X----- | | | | | | | |
| Outreach—savers | | | | | | | | X----- | X----- | X---- | | | | | | |
| Saving Week | | | | | | | | | | | | XX-10/2-9 | | | | |
| LOAS | | | | | | | | | | | | | | | | |
| Submit space req. | | X----- | | | | | | | | | | | | | | |
| Hold date | | | X----- | | | | | | | | | | | | | |
| to exhib. | | | | | | | | | | | | | | | | |
| Plng. Cte. Meets | | | | | 5/18--- | 6/15--- | 7/20--- | 8/17--- | 9/21 | | | | | | | |
| Plan activities | | | | | X----- | X----- | X----- | X----- | X----- | | | | | | | |
| Follow w/exhibs. | | | | | X----- | | | X----- | X----- | X---- | | | | | | |
| Line up speakers | | | | | X----- | X----- | | | | | | | | | | |
| Confirm exhibs./speakers | | | | | | | | | | X----- | X----- | | | | | |
| Arrange food | | | | | | | | | | X----- | | | | | | |
| Mailing | | | | | | | | | | X----- | | | | | | |
| Floor design | | | | | | | | | | | X----- | | | | | |
| Hold event | | | | | | | | | | | 10/14 | | | | | |
| Evaluation meeting | | | | | | | | | | | 10/19 | | | | | |
| Eval. Report | | | | | | | | | | | | | X----- | | | |

Outgrowth

Mentor services for young women

College initiative

Youth employment awareness

IDA Outreach

X-----X-----X-----X-----X-----X-----X
X-----X-----X-----X-----X-----X-----X-----X
X-----X-----X-----X-----X-----X-----X
X-----X-----X-----X-----X-----X-----X